able chapters on Le Play and the two schools into which his followers have split. Book III, entitled *Interventionismus, Solidarismus und Protektionismus,* includes chapters on instruction in economics in the law schools; writers on general economics; historical writers; writers on *Sozialpolitik;* on finance; a general chapter on the idea of solidarity; and two on the theories of solidarity held respectively by Bourgeois and by Gide. In Book IV, the author considers political economy as treated by the philosophers and sociologists. A chapter on Condorcet, Comte, Renouvier, and a group of more recent writers, is followed by a detailed account of Tarde, Durkheim, and Simiand.

In the concluding chapter, a few generalizations are made. French schools, for all their antagonisms, do not differ in method. They all manifest a desire to find guiding principles for practical action, to the detriment of scientific objectivity. There is a general belief in economic laws of universal and permanent validity, and a tendency to posit the ideal of an organization of economic life along coöperative lines. Frequent attempts to combine individualism and state intervention point to *eine entwicklungsfähige Tendenz von allgemeiner Bedeutung.*

As to the relative space to which different authors and schools are entitled, there can be no unanimity of opinion. Dr. de Waha has probably been influenced by the esteem in which certain writers are held in France. Very properly he has given what appears to be a well-balanced account from the French point of view. Some of his readers, however, may wish that at a few points the proportions had been differently adjusted. The discussion of Cournot, for instance, is of tantalizing brevity. Walras, who was born in France, and wrote on economics before going to Switzerland, is dismissed in one line, while four and a half pages are given to the confused thinking of Edmond Villey, and considerable space is allowed to some Catholic writers of small scientific merit.

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Allgemeine Volkswirtschaftslehre. By Wilhelm Lexis. (Berlin and Leipzig: Teubner. 1909. Pp. 259.)

In this compendious work Professor Lexis has succeeded in producing a concise, well-balanced survey of the field of economics. After a brief introductory statement of the nature of an economy

and the various stages in economic development, which might well suggest improvement to American textbook writers, a German tendency appears in the shape of twelve pages on the subject of method. The body of the work is headed by the suggestive title, Circle of Economic Life. There is no division into books, but a series of eighteen coördinate sections takes the place of the usual elaborate framework. Value comes first; then demand, production, supply, income, consumption, and a section on production and distribution. In connection with the treatment of production there is a section on capital and industry; and the sections on money, credit and banking, and value of the monetary unit, lie between the one which deals with prices and the discussion of income.

It will be noted that consumption is treated towards the end of the work, and accordingly there is little of the elaborate analysis of utility so common in our texts. The subject of value is developed as follows: Utility is a relative concept as it depends upon estimation and is not a property of goods. Utilities can not be compared; the utilities of bread and of oats, for example, are incommensurable; and estimation varies with time and person. The marginal-utility analysis, Lexis holds, is applicable only to fungible consumers' goods, and not to objects used singly or in small numbers. It is impossible, then, to reduce goods to homogeneity through utility.

Through scarcity (natural, social, and technical), utility becomes appreciated as value. But mere subjective valuations according to momentary perceptions of utility and unsatisfied wants cannot serve as norms for a stable and enduring economy. Men know that their wants will return tomorrow and, as rational beings, they take future wants into their estimations, bringing them into relation with the means of satisfying them. "The idea that the value of the entire quantity of a good arises from gradually added units which have diminishing subjective utility, is no longer applicable." Scarcity is not measured by subjective feelings of desire, but by objective difficulty of acquisition.

Two kinds of subjective value are distinguished. First there is "subjective cost value" (marginal disutility?) which, in a money economy, is determined by the necessary money sacrifice involved in acquiring a good. The money unit is the measure and is estimated by each according to the size of his income. "Subjective cost values" are commensurable within the same economy. An-

other kind of value is "use value" (marginal utility?). This is the degree of utility which is attributed to an economic good taken in relation with the difficulty of obtaining it. In its determination, income must be taken into consideration, and through it the grade of utility attached to a good is fully realized by men, whereas "subjective cost value" merely corresponds to the sacrifice that has been made or that must be made.

But in the producer's economy, where goods are paid for out of capital, an "exchange value" arises which, to individual producers, has a purely objective meaning. The merchant buys goods to sell, not to use directly. True, sale depends upon utility; but only general utility to all customers, not to any one individual. Thus there arises on the market a collective demand as a mass phenomenon in which varying individual wants are lost. The money unit also loses the income-derived significance to sellers which characterizes "use value." Thus we have an "objective exchange value" expressed in terms of money, which has two chief aspects: objective cost value to buyers and objective exchange value to sellers.

As to a subjective exchange value, one can conceive of it, but it has no significance in economics. Obviously, while giving considerable attention to utility, Lexis is no follower of the Austrians. His treatment of the difficult passage from subjective value to objective exchange value is interesting, if not conclusive.

Other points of interest are a relatively full discussion of urban land rents, the attention given to mining, and the continual interrelating of money income and price determination. The constant intermingling of practical information with the theory is typical of the refreshing realism so characteristic of German economics. Lexis holds to the classical doctrine of rent and makes land a distinct factor of production. He is also among those who attach importance to the Malthusian principle of population. Profits (*Unternehmergewinn*) he defines as the "excess of capital gains over simple interest"; and the undertaker's function is regarded as closely related to capital. Profits consists of three parts: promoters' rewards (*Gründungsgewinn*), surplus profits (*Uberschussgewinn*—the compensation of shareholders for risks), and undertakers' earnings (*Unternehmerverdienst*) or wages of management.

The treatment of overproduction in connection with crises strikes one as being a little "unorthodox," and there will be not a

few who differ with the author in their thought on the value of money.

The book is too brief to have much value as a work of reference; but it is so well written that it will be frequently turned to for the ideas of a prominent conservative representative of German economic thought. There is an index.

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La Théorie des Marchés Economiques. By BERNARD LAVERGNE. (Paris: Arthur Rousseau. 1910. Pp. xv, 215. 4 fr.)

M. Lavergne dedicates his monograph to Professor Gide and takes Bourguin's *Mesure de la valeur* as his own point of departure. But he brings to his task a spirit of radical innovation and a belligerent attitude toward what he supposes to be "*l'économie politique classique*" that are all his own. It would be difficult to find some of the doctrines which M. Lavergne attacks (as for example that cost of production is an *exact* measure of value) outside the pages of his own book. It is significant, perhaps, that his accounts of classical theories are, except for a few scattered citations of French translations of Ricardo and Mill, fortified only by references to the *Histoire des doctrines* of Gide and Rist.

The main task which M. Lavergne has set himself, however, is constructive. He submits a complete theory of value and distribution which, though one-sided and burdened with useless terminological innovations, contains much penetrating analysis. He makes much of the fact that he does not invoke competition as a premise, and that his theory is perfectly general. But his achievement here seems to be largely one of terminology, and bad terminology at that. Differential advantage of every sort is called monopoly, and in this way competition is crowded from the field. However, competition is really implicit in much of M. Lavergne's theory (for example, in his use of Jevons' "law of indifference"). The "economic markets" are found to be four in number, embracing respectively finished products, money and credit, productive services, and productive capital. So far as the three first categories are concerned, marginal utility and marginal productivity are held to be the fundamental determinants of value and of income-yielding power. But productive capital (including land, durable and specialized production goods of all sorts, together